

Company Registration No. 10031034 (England and Wales)

QUALIA CARE DEVELOPMENTS LIMITED
ANNUAL REPORT AND UNAUDITED FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 MARCH 2017

QUALIA CARE DEVELOPMENTS LIMITED

COMPANY INFORMATION

Directors	R S Forster P Heslop D Howarth P A Whitaker	(Appointed 22 March 2016) (Appointed 21 March 2017) (Appointed 23 March 2016) (Appointed 5 March 2017)
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Company number	10031034
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Registered office	St. James House No. 28 Park Place Leeds West Yorkshire LS1 2SP
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Accountants	Hentons Northgate 118 North Street Leeds West Yorkshire LS2 7PN
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Bankers	Santander UK PLC 9 Nelson Street Bradford West Yorkshire BD1 5AN
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QUALIA CARE DEVELOPMENTS LIMITED

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QUALIA CARE DEVELOPMENTS LIMITED

DIRECTORS' REPORT

FOR THE PERIOD ENDED 31 MARCH 2017

The directors present their annual report and financial statements for the Period ended 31 March 2017.

Principal activities

The company was incorporated on 29 February 2016 and commenced trading on 1st March 2016. The principal activity of the company is the development of care homes.

Directors

The directors who held office during the Period and up to the date of signature of the financial statements were as follows:

R S Forster	(Appointed 22 March 2016)
P Heslop	(Appointed 21 March 2017)
D Howarth	(Appointed 23 March 2016)
P A Whitaker	(Appointed 5 March 2017)
A E Barton	(Appointed 31 May 2016 and resigned 31 March 2017)
S R Moppett	(Appointed 29 February 2016 and resigned 31 March 2017)
V Norton	(Appointed 21 March 2017 and resigned 1 April 2017)
S White	(Appointed 21 March 2017 and resigned 1 April 2017)

This report has been prepared in accordance with the provisions applicable to companies entitled to the small companies exemption.

On behalf of the board

.....
R S Forster
Director
.....

QUALIA CARE DEVELOPMENTS LIMITED

ACCOUNTANTS' REPORT TO THE BOARD OF DIRECTORS ON THE PREPARATION OF THE UNAUDITED STATUTORY FINANCIAL STATEMENTS OF QUALIA CARE DEVELOPMENTS LIMITED FOR THE PERIOD ENDED 31 MARCH 2017

In order to assist you to fulfil your duties under the Companies Act 2006, we have prepared for your approval the financial statements of Qualia Care Developments Limited for the Period ended 31 March 2017 which comprise the Profit And Loss Account, the Balance Sheet and the related notes from the company's accounting records and from information and explanations you have given us.

As a practising member firm of the Institute of Chartered Accountants in England and Wales (ICAEW), we are subject to its ethical and other professional requirements which are detailed at icaew.com/membershandbook.

This report is made solely to the Board of Directors of Qualia Care Developments Limited, as a body, in accordance with the terms of our engagement letter dated 20 March 2017. Our work has been undertaken solely to prepare for your approval the financial statements of Qualia Care Developments Limited and state those matters that we have agreed to state to the Board of Directors of Qualia Care Developments Limited, as a body, in this report in accordance with AAF 2/10 as detailed at icaew.com/compilation. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Qualia Care Developments Limited and its Board of Directors as a body, for our work or for this report.

It is your duty to ensure that Qualia Care Developments Limited has kept adequate accounting records and to prepare statutory financial statements that give a true and fair view of the assets, liabilities, financial position and profit of Qualia Care Developments Limited. You consider that Qualia Care Developments Limited is exempt from the statutory audit requirement for the Period.

We have not been instructed to carry out an audit or a review of the financial statements of Qualia Care Developments Limited. For this reason, we have not verified the accuracy or completeness of the accounting records or information and explanations you have given to us and we do not, therefore, express any opinion on the statutory financial statements.

Hentons
Chartered Accountants

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QUALIA CARE DEVELOPMENTS LIMITED

PROFIT AND LOSS ACCOUNT

FOR THE PERIOD ENDED 31 MARCH 2017

	31 March ended 31 March 2017 £
	Notes
Turnover	8,673,409
Cost of sales	(2,637,008)
Gross profit	<u>6,036,401</u>
Administrative expenses	(1,384,251)
Operating profit	<u>4,652,150</u>
Interest receivable and similar income	160
Profit before taxation	<u>4,652,310</u>
Taxation	(943,439)
Profit for the financial Period	<u>3,708,871</u>
Total comprehensive income for the Period	<u><u>3,708,871</u></u>

QUALIA CARE DEVELOPMENTS LIMITED

BALANCE SHEET

AS AT 31 MARCH 2017

	Notes	2017	
		£	£
Fixed assets			
Tangible assets	2		5,318
Investment properties	3		3,801,075
			<u>3,806,393</u>
Current assets			
Debtors	4	1,979,151	
Cash at bank and in hand		921,602	
		<u>2,900,753</u>	
Creditors: amounts falling due within one year	5	<u>(2,998,175)</u>	
Net current liabilities			<u>(97,422)</u>
Total assets less current liabilities			<u><u>3,708,971</u></u>
Capital and reserves			
Called up share capital	6		100
Profit and loss reserves			3,708,871
Total equity			<u><u>3,708,971</u></u>

QUALIA CARE DEVELOPMENTS LIMITED

BALANCE SHEET (CONTINUED)

AS AT 31 MARCH 2017

For the financial Period ended 31 March 2017 the company was entitled to exemption from audit under section 477 of the Companies Act 2006.

Directors' responsibilities:

- The members have not required the company to obtain an audit of its financial statements for the Period in question in accordance with section 476;
- The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of financial statements.

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime.

The financial statements were approved by the board of directors and authorised for issue on and are signed on its behalf by:

.....
R S Forster
Director

Company Registration No. 10031034

QUALIA CARE DEVELOPMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 MARCH 2017

1 Accounting policies

Company information

Qualia Care Developments Limited is a private company limited by shares incorporated in England and Wales. The registered office is St. James House, No. 28 Park Place, Leeds, West Yorkshire, LS1 2SP.

1.1 Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006 as applicable to companies subject to the small companies regime. The disclosure requirements of section 1A of FRS 102 have been applied other than where additional disclosure is required to show a true and fair view.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared on the historical cost convention, modified to include the revaluation of freehold properties and to include investment properties and certain financial instruments at fair value. The principal accounting policies adopted are set out below.

1.2 Turnover

Turnover is recognised at the fair value of the consideration received or receivable for goods and services provided in the normal course of business. The fair value of consideration takes into account trade discounts, settlement discounts and volume rebates.

Revenue from the sale of leases is recognised when the significant risks and rewards of ownership have passed to the buyer, the amount of revenue can be measured reliably, it is probable that the economic benefits associated with the transaction will flow to the entity and the costs incurred or to be incurred in respect of the transaction can be measured reliably.

1.3 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Leasehold alterations	20% Straight line
Computer equipment	33% Straight line

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is credited or charged to profit or loss.

1.4 Investment properties

Investment property, which is property held to earn rentals and/or for capital appreciation, is measured using the fair value model and stated at its fair value as the reporting end date. The surplus or deficit on revaluation is recognised in the profit and loss account.

Where fair value cannot be achieved without undue cost or effort, investment property is accounted for as tangible fixed assets.

QUALIA CARE DEVELOPMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 MARCH 2017

1 Accounting policies

(Continued)

1.5 Impairment of fixed assets

At each reporting end date, the company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried in at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

1.6 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.7 Financial instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the company's statement of financial position when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include trade and other receivables and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest.

QUALIA CARE DEVELOPMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 31 MARCH 2017

1 Accounting policies

(Continued)

Other financial assets

Other financial assets, including investments in equity instruments which are not subsidiaries, associates or joint ventures, are initially measured at fair value, which is normally the transaction price. Such assets are subsequently carried at fair value and the changes in fair value are recognised in profit or loss, except that investments in equity instruments that are not publically traded and whose fair values cannot be measured reliably are measured at cost less impairment.

Impairment of financial assets

Financial assets, other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the company transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

Classification of financial liabilities

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

Basic financial liabilities, including trade and other payables, bank loans, loans from fellow group companies and preference shares that are classified as debt, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade payables are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Derecognition of financial liabilities

Financial liabilities are derecognised when the company's contractual obligations expire or are discharged or cancelled.

QUALIA CARE DEVELOPMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 31 MARCH 2017

1 Accounting policies (Continued)

1.8 Equity instruments

Equity instruments issued by the company are recorded at the proceeds received, net of direct issue costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

1.9 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

Deferred tax

Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the profit and loss account, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset when the company has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

1.10 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

QUALIA CARE DEVELOPMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 31 MARCH 2017

2 Tangible fixed assets	Leasehold alterations £	Computer equipment £	Total £
Cost			
At 29 February 2016	-	-	-
Additions	3,840	3,352	7,192
At 31 March 2017	3,840	3,352	7,192
Depreciation and impairment			
At 29 February 2016	-	-	-
Depreciation charged in the Period	768	1,106	1,874
At 31 March 2017	768	1,106	1,874
Carrying amount			
At 31 March 2017	3,072	2,246	5,318

3 Investment property	2017 £
Fair value	
At 29 February 2016	-
Additions	3,801,075
At 31 March 2017	3,801,075

Investment property comprises £3,801,075. The fair value of the investment property has been arrived at on the basis of a valuation carried out at the balance sheet date by the directors. The valuation was made on an open market value basis by reference to market evidence of transaction prices for similar properties and by giving due consideration to any devaluation caused by the sale of leases.

4 Debtors	2017 £
Amounts falling due within one year:	
Trade debtors	136,465
Amounts due from group undertakings and undertakings in which the group has a participating interest	1,232,136
Other debtors	610,550
	1,979,151

QUALIA CARE DEVELOPMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 31 MARCH 2017

5	Creditors: amounts falling due within one year	2017
		£
	Trade creditors	365,568
	Corporation tax	943,439
	Other taxation and social security	26,108
	Other creditors	1,663,060
		<hr/>
		2,998,175
		<hr/> <hr/>
6	Called up share capital	2017
		£
	Ordinary share capital	
	Issued and fully paid	
	100 Ordinary of £1 each	100
		<hr/> <hr/>
7	Related party transactions	

At the balance sheet £1,232,136 was owed by connected companies.

During the year rent incentive payments of £650,000 were paid to a connected company.

At the balance sheet date £64,940 was owed to a director. This loan was interest free and repayable on demand.

8 **Controlling party**

Throughout the period the company was under the control of the director R S Forster.

QUALIA CARE DEVELOPMENTS LIMITED
MANAGEMENT INFORMATION
FOR THE PERIOD ENDED 31 MARCH 2017

QUALIA CARE DEVELOPMENTS LIMITED

DETAILED TRADING AND PROFIT AND LOSS ACCOUNT FOR THE PERIOD ENDED 31 MARCH 2017

		31 March ended 31 March 2017 £
Turnover		
Sales		8,673,409
Cost of sales		
Rent incentive payments	650,000	
Other operational costs	63,951	
Sales and marketing costs	1,098,464	
Renovation costs	24,816	
Legal fees	401,400	
Rent to investors	398,377	
		<u>(2,637,008)</u>
Gross profit	69.60%	6,036,401
Administrative expenses		<u>(1,384,251)</u>
Operating profit		4,652,150
Investment revenues		
Bank interest received	160	
		<u>160</u>
Profit before taxation	53.64%	<u><u>4,652,310</u></u>
